

OCT 20 2008

Prepared by:

John N. Malyska, Esq.



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INSTRUMENT NUMBER
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 COUNTY RECORDING \$370.00
 FEE \$370.00
 TOTAL PAID \$370.00

H CLAIRE FRENCH, CTY CLK
 MONMOUTH COUNTY, NJ

MORTGAGE AND SECURITY AGREEMENT
ON PROPERTY IN ALLENHURST, MONMOUTH COUNTY, NEW JERSEY

Date: as of October 10, 2008

MORTGAGEE: **BANCO POPULAR NORTH AMERICA**, a corporation organized and existing under the laws of the State of New York, with offices at 120 Broadway, 16th Floor, New York, New York 10271

MORTGAGOR: **SAMUEL CHERA AND ARLENE CHERA**, husband and wife, who reside at 229 Allen Avenue, Allenhurst, Monmouth County, New Jersey 07711

MORTGAGED PREMISES
 Municipality: Borough of Allenhurst
 County: Monmouth
 State: New Jersey 07711

Common Name: 229 Allen Avenue
 Allenhurst, Monmouth County, New Jersey 07711

Tax Map Designation: **Tax Block 15, Lot 15**
 Allenhurst, Monmouth County, New Jersey

Legal Designation: Attached hereto as **Schedule "A"**

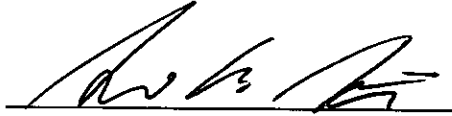
1. DEBT, LOAN DOCUMENTS.

1.1 (a) **KIDS WORLD OF THE BRONX, INC., d/b/a KIDS R US OF THE BRONX, INC. (Borrower)** is indebted to Mortgagee in the principal sum of **TWO MILLION SIX HUNDRED THIRTY-TWO THOUSAND FIVE HUNDRED SIXTY-SIX AND 95/100 (\$2,632,566.95) DOLLARS**, together with interest thereon, the foregoing being owed under a certain **term loan** in the amount of **TWO MILLION SIX HUNDRED THIRTY-TWO THOUSAND FIVE HUNDRED SIXTY-SIX AND 95/100 (\$2,632,566.95) DOLLARS** (such term loan, together with all extensions, modifications [including modifications increasing or decreasing the amount thereof], refinancings, replacements, renewals and/or redatings thereof, being hereinafter collectively called the "**Term Loan**").

(b) The **Term Loan** is evidenced by Borrower's certain **TWO MILLION SIX HUNDRED THIRTY-TWO THOUSAND FIVE HUNDRED SIXTY-SIX AND**

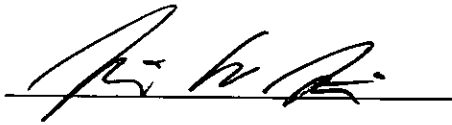
IN WITNESS WHEREOF, Mortgagor, intending to be legally bound, has duly executed and delivered this Mortgage and Security Agreement as of the day and year first above written.

WITNESS:




SAMUEL CHERA

WITNESS:



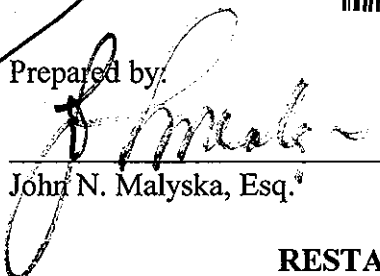

ARLENE CHERA

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Prepared by:


 John N. Malyska, Esq.

**RESTATEMENT AND AMENDMENT OF MORTGAGE
WHICH WAS DATED OCTOBER 10, 2008, AND WAS RECORDED
AS INSTRUMENT NO. 2008110174, ON OCTOBER 20, 2008, IN
MONMOUTH COUNTY MORTGAGE BOOK NO. OR-8743,
AT PAGE 9046 *ET SEQ.***

**AFFECTING PROPERTY DESIGNATED AS
229 ALLEN AVENUE (TAX BLOCK 15, LOT 15) ON THE TAX MAPS OF
BOROUGH OF ALLENHURST, MONMOUTH COUNTY, NEW JERSEY**

Date: as of May 18, 2009

MORTGAGEE: BANCO POPULAR NORTH AMERICA, a corporation organized and existing under the laws of the State of New York, with offices at 120 Broadway, 16th Floor, New York, New York 10271

MORTGAGOR: SAMUEL CHERA AND ARLENE CHERA, husband and wife, who reside at 229 Allen Avenue, Allenhurst, Monmouth County, New Jersey 07711

**MORTGAGED
PREMISES**

M CLAIRES FRENCH, CTY CLK
MONMOUTH COUNTY, NJ

Municipality: Borough of Allenhurst
County: Monmouth
State: New Jersey 07711

Common Name: 229 Allen Avenue
Allenhurst, Monmouth County, New Jersey 07711

JUN 16 2009

INSTRUMENT NUMBER
2009067999
RECORDED ON
Jun 17, 2009
3:43:55 PM
BOOK: OR-8780
PAGE: 2241
Total Pages: 36

Tax Map Designation: **Tax Block 15, Lot 15**
Allenhurst, Monmouth County, New Jersey

Legal Designation: Attached hereto as **Schedule "A"**

COUNTY RECORDING FEES \$390.00
TOTAL PAID \$390.00

WITNESSES THAT:

(a) **WHEREAS**, as more fully set forth in the first above captioned Mortgage and Security Agreement dated October 10, 2008, and recorded as Instrument No. 2008110174, on October 20, 2008, in Monmouth County Mortgage Book No. OR-8743, at Page 9046 *et seq.* (hereinafter the "**2008 Mortgage**"), **KIDS WORLD OF THE BRONX, INC., d/b/a KIDS WORLD**, a New York corporation bearing Federal Employer Identification Number 13-3220606

and with its principal place of business located at 39 East Fordham Road, Bronx, New York 10468 (**"KIDS WORLD- BRONX"**) was indebted to Mortgagee in (1) the principal sum of **\$2,632,566.95**, together with interest thereon, owed under a certain term loan in like amount (such term loan being the **"Term Loan"** defined in the 2008 Mortgage) and (2) the principal sum of **\$2,000,000.00**, together with interest thereon, owed under a certain line of credit loan in like amount (such line of credit loan being the **"Line of Credit"** defined in the 2008 Mortgage);

(b) **WHEREAS**, as security for the payment and performance to Mortgagee of the aforesaid Term Loan and the aforesaid Line of Credit, Mortgagee has received various guaranties including that certain instrument of guaranty dated as of September 11, 2007, and given by Mortgagor **Samuel Chera** (such guaranty of Mortgagor **Samuel Chera** being hereinafter called the **"2007 Guaranty"**);

(c) **WHEREAS**, the 2008 Mortgage directly secured the payment and performance of the aforesaid Term Loan and the aforesaid Line of Credit and also secured Mortgagor **Samuel Chera's** obligations under the **2007 Guaranty**;

(d) **WHEREAS**, on the date hereof, the principal sum of **\$1,798,920.86** is outstanding on the aforementioned **\$2,632,566.95** **"Term Loan"** and the principal sum of **\$2,000,000.00** is outstanding on the aforementioned **\$2,000,000.00** **"Line of Credit"**;

(e) **WHEREAS**, **KIDS WORLD- BRONX** and its affiliated entity **KIDS WORLD OF BAY PLAZA INC.**, a New York corporation bearing Federal Employer Identification Number 13-3676762 and with its principal place of business located at 2160 Bartow Avenue, Bronx, New York 10475 (**"KIDS WORLD-BAY PLAZA"**) seek to combine the aforesaid outstanding Term Loan principal balance of **\$1,798,920.86** and the aforesaid outstanding Line of Credit principal balance of **\$2,000,000.00** into one term loan having an initial outstanding principal amount of **\$3,798,920.86** (such term loan, together with all extensions, modifications [including without limitation increases and/or decreases in the amount thereof], refinancings, replacements, renewals and/or redatings thereof in effect from time to time, hereinafter collectively the **"Loan"**);

(f) **WHEREAS**, **KIDS WORLD- BRONX** and **KIDS WORLD-BAY PLAZA** are hereinafter collectively referred to as **"Borrowers"** and each hereinafter individually referred to as a **"Borrower"**;

(g) **WHEREAS**, **Borrowers** have also heretofore received from Mortgagee the benefits of Mortgagee's Standby Letter of Credit #91-097-20-10302 as amended through Amendment No. 18 dated December 23, 2008, in the amount of \$410,000, and issued by Mortgagee for the benefit of Dornhage Realty Co., Inc., and for the account of Borrowers, so as to guarantee lease payments for Borrowers' store at 39 East Fordham Road, Bronx, New York (such letter of credit, together with all extensions, modifications [including without limitation increases and/or decreases in the amount thereof], refinancings, replacements, renewals and/or redatings thereof in effect from time to time, hereinafter collectively the **"Letter of Credit"**);

IN WITNESS WHEREOF, Mortgagor, intending to be legally bound, has duly executed and delivered this Mortgage and Security Agreement as of the day and year first above written.

WITNESS:

Kenn Osoie

Samuel Chera
SAMUEL CHERA

WITNESS:

Kenn Osoie

Arlene Chera
ARLENE CHERA

Not Certified Copy